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Washington, D.C. 20505

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National Intelligence Council

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28 February 1986

MEMORANDUM FOR: Director of Central Intelligence

FROM: Fritz W. Ermarth  
National Intelligence Officer for the USSR

SUBJECT: Monthly Forecast and Warning Report -- USSR

1. Afghanistan

A. Discussion:

Although Soviet propaganda on Afghanistan is designed to give the impression of flexibility on a political settlement--at the 27th Party Congress, Gorbachev indicated a willingness to withdraw from a country he called a "bleeding wound"--the Soviet condition for a withdrawal continues to be a settlement which guarantees the survival of the puppet government in Afghanistan.

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In the view of the NIO/USSR, the Soviets would not be likely to bargain with their adversaries within or outside Afghanistan in reaching such a major strategic decision. Rather they would decide on the basis of all factors, particularly their view of the likelihood of winning by their current strategy, and then proceed to implement their chosen strategy, perhaps dickering with their adversaries about the marginal costs of attaining their aim, whether it be withdrawal at least cost, or -- as at present -- a Soviet victory at least cost.

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There are, however, uncertainties and some dissenting views about this judgment within the Community. It is necessary to keep our evidence and our assumptions under constant critical review.

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C. Warning:

The USSR is in a difficult situation because a convincing signal of intent to withdraw and alter its conditions for withdrawal risks undermining the moral of Kabul. Nevertheless, there is a fair chance that over coming weeks the Soviets will make some gestures, at least rhetorical and possibly including some token troop withdrawals, aimed at gaining credibility for their political actions and "peace offensive" that are intended to cut support for the resistance.

2. Iran-Iraq War - Implications for the Soviets

A. Discussion:

Although there has been some normalization of commercial relations between Moscow and Teheran, there is not much agreement on anything else: both capitals agree to disagree on Afghanistan and on the war. The Korniyenko visit did not move matter forward much.

The Soviets are concerned that an Iranian victory in the war would propel Teheran to dominance in the Gulf, severely undercut or destroy Moscow's relationship with Iraq, and cause the Arab countries of the Gulf to invite in a greater US presence to deter further Iranian expansion. Moscow does not want the US to achieve the mantle of "the primary guarantor of security in the Gulf."

As a consequence, if Iran were to make significant advances on Iraq's territory or if these are signs that the regime in Baghdad is crumbling, the Soviets would probably put military pressure on Iran's northern border, cut off remaining weapons deliveries to Iran from Eastern Europe, and sharply increase weapons deliveries to Iraq. But Moscow almost certainly would not deploy its own ground forces to Iraq (to avoid subsequent capture).

In the interim, Moscow is seeking to broaden its relations in the Middle East.

- It is expanding relations with Iraq and Kuwait and probably assuring Gulf countries that the new regime in South Yemen will not seek to export revolution across its borders.
- It desires to broker a reconciliation between Syria and Libya--to further isolate Iran as the "culprit in the war".

Should Iraq somehow crumble rapidly and Iran emerge a clear victor, the Soviets would probably seek to come to terms with a new reality and put more energy into an improvement of Soviet-Iranian relations.

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C. Warning:

While the combined probabilities may be low, there is some chance of Iranian success leading in turn to a more interventionist Soviet posture toward Iran and the region.

3. PDRY

A. Discussion:

Prior to the revolt in January the Soviets were following the USSR's standard operating procedure in South Yemen that they use to maintain control of Third World clients. They:

- kept the government on a short leash with their deliveries of economic aid (mainly oil) and weapons,
- tried to curb President Hasani's overtures to the West and other Gulf states by bringing back his predecessor (as a clear threat to Hasani's leadership).

Moscow however, did not calculate the depth of tribal hatreds and was probably surprised at the outbreak of fighting.

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Even though there was an initial delay in Soviet commitment to the rebels, the new leadership will be indebted to Moscow for its commitment, its rapid supply of military aid, its tolerance of PDRY's debt, and the pressure it exerted against Ethiopia and North Yemen to curb these country's assistance to Hasani in his effort to retain power.

Although the Communist government in Aden remains something of a veneer over tribal factionalism, the Soviets will be able to continue to use air, naval, and communications facilities there, to maintain a government with some sense of stability, and to curb Aden's actions which could jeopardize other Soviet goals in the region. But Moscow has no guarantee against future tribal conflicts.

It is presently unclear whether and how Moscow will rebuild the PDRY military. There is a severe shortage of trained and educated leadership.

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C. Warning:

The Soviets may seek to use the weaknesses of the new regime to expand their access to military facilities there.

4. The Soviet Cultural Scene

A. Discussion:

The Gorbachev regime is marginally loosening up the political strictures on Soviet art, culture, and intellectual life, ostensibly in the interest of "glasnost" (openness) and honesty. Other purposes are to enhance the persuasiveness of official propaganda, win more political support from the intelligentsia, and simply to make life more interesting for a grumpy and critical Soviet population.

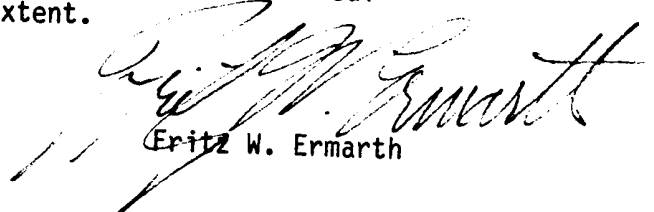
Gorbachev has not spoken very explicitly on cultural policy (his congress speech warned against Western corruptions); Ligachev has said more, but on both sides of the issue: He says the cultural bureaucrats should not interfere with talent, but talent must serve the party's and a rise in dissident behavior.

Given the importance of cultural policy and life in a country where everything is politicized, managing this front will be nearly as important to Gorbachev in the long run as is managing the economy. He is not a cultural liberalizer. But his efforts to restore popular optimism will shift the limits of cultural policy and tempt the intelligentsia to test what they can get away with. This is likely to stimulate new tensions within the leadership and between rulers and ruled.

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C. Warning:

As he gropes for some formula for economic reform in the months after the congress (as of now, little new seems likely to emerge from the congress itself), Gorbachev may feel a political need to show a tough face on the cultural front. But this could cost him some support from the intelligentsia on which real economic progress depends to some extent.



Fritz W. Ermarth